

SB 286
Testimony of Meadow Gold Dairies
(In Support)

1. Meadow Gold Dairies is a dairy processor and distributor. It distributes dairy products statewide. It has processing plants in Great Falls and Billings. It supports SB 286.
2. Currently, there is confusion in the statutes regarding the respective jurisdictions of the Board of Milk Control and the Board of Livestock as it relates to the regulation of the milk industry. It is better that the legislature clarify these policy issues rather than have it done by the judiciary through litigation. SB 286 would make clear the power is vested in the Board of Milk Control.
3. As between the Board of Milk Control and the Board of Livestock, the Board of Milk Control should have ultimate power over the milk industry because:
 - The Board of Milk Control is already educated. It enacted the rules; it knows the historical evolution of those rules; it knows what works and what hasn't worked; it is familiar with the current issues in the industry.
 - The Board of Livestock already has enough on its plate. The milk industry would get more focused and informed attention from the Board of Milk Control which is devoted exclusively to milk issues.
 - By statute, the Board of Milk Control cannot have a member presently involved in the milk industry so it is immune from conflict problems. The Board of Livestock has two members who are currently milk producers.
 - The fact that Montana has undertaken to regulate the price of milk is fairly unique. It would be unprecedented to undertake that regulation without devoting a separate, independent board to implement and oversee that regulation.
 - The Board of Milk Control has been very effective, efficient, and fair.
 - The milk producers pay the expenses of the Board of Milk Control through assessments. If the industry is willing to pay for it, it ought to have its own functioning board to regulate its affairs.

Meadow Gold urges support of SB 286. Thank you.

Jock O. Anderson
442-8560

MONTANA DEPARTMENT OF LIVESTOCK



BOARD OF LIVESTOCK MEETING MINUTES

JANUARY 14 & 15, 2008

MONDAY 1:00 P.M. - TUESDAY 8:00 A.M.

Scott Hart Auditorium
Helena MT 59601

Monday, January 14, 2008

Board of Livestock Members Present:

Stan Boone, representing cattle producers
Jan French, vice chair, representing pork producers
George Hammond, representing cattle producers
Bill Hedstrom, chairman, representing dairy and egg producers
Linda Nielsen, representing cattle producers
Meg Smith, representing cattle producers
Becky Weed, representing sheep producers

Staff:

Marty Clark, assistant administrator, Brands Enforcement Division
George Edwards, Montana Livestock Loss and Mitigation Board
John Grainger, administrator, Brands Enforcement Division
Christian Mackay, executive officer
Steve Merritt, public information officer
Monte Nick, chief, Milk Control Bureau
Carol Olmstead, chief, Meat Inspection Bureau
Dr. Jeanne Rankin, assistant state veterinarian, Animal Health Division
Sherry Rust, administrative assistant, recorder
Rob Tierney, supervisor, Bison Management Program, Animal Health Division
Dan Turcotte, chief, Milk, and Egg Bureau
Dr. Marty Zaluski, state veterinarian/administrator, Animal Health Division

Guests:

Bernie Hubley, attorney
Charlene Rich, Montana Beef Council
Kraig Glazier, Wildlife Services USDA APHIS
Ariel Overstreet, Agri-News
Larry VanDyke, Milk Control Board member
Ed Waldner, Montana Milk Producer Association
Mark Meyer, Montana Milk Producer Association
Reuben A Wurz, Big Stone Colony
Elias P. Wipf, MMPA, New Rockport Colony
Les Graham, Montana Farm Bureau - Montana Markets
Jock Anderson, Meadow Gold
Jo Hammond
Jeremy Seidlitz, Montana Cattlemens Association

Call to Order and Board Communications:

Chairman Bill Hedstrom called the meeting to order at 1:00 p.m.

- Becky Weed said things are dry around Belgrade, little bit of snow, not much news.

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- George Hammond commented that it has been mild a winter as ever seen around Hardin, mountains of hay but no need to use it much, not much moisture.
- Jan French reported that hog prices are a little higher, barley is at \$10 and propane is outrageous.
- Linda Nielsen said the Nashua area is dry too. At the last auction, sale prices were pretty good.
- Meg Smith said it is dry, hay is in short supply and expensive, wolves have been busy, elk are down, good snow up high but not much down low. Looking for spring snow.
- Stan Boone said although it is dry, his country is in good shape, lots of grass, very mild.
- Bill Hedstrom reported approximately 16 inches of snow in the Kalispell area. The big worry is feed prices, corn is \$230 (\$170 last month) ton plus freight, barley is \$235.

Approval of Minutes:

The minutes of the November 5 and 6, 2007 meeting were accepted as corrected.

Approval of Executive Officer Reports:

Jan French moved to table approval of the Executive Officer report. Linda Nielsen seconded. The motion carried with Meg Smith voting no.

Board members requested more contact (updates, etc) from the executive officer.

Approval of Chairman Interim Authorizations and Activities:

Chairman Bill Hedstrom said he had nothing to report; no authorizations or activities so no need for approval.

OLD BUSINESS

RODEO BULL LIFETIME PERMITS

John Grainger explained that current statutes do not allow for lifetimes on bovines so it will take either a new rule or amending of the existing statute. He emphasized the rule would only address rodeo bulls (not rodeo cattle). Christian Mackay requested board authorization to draft legislative wording and finding a sponsor to be ready for the next Legislative session.

George Hammond moved to authorize Christian Mackay and John Grainger to draft legislation to grant rodeo bull lifetime permits. Jan French seconded and the motion carried unanimously.

UPDATE ON MILK CONTROL BOARD ISSUES

Christian Mackay explained that it was recently questioned whether the use of Clyde Peterson by the Board of Milk Control and Board of Livestock created a conflict of interest. Legal Services agreed that there is a conflict and recommended BOMC contract with outside legal counsel. They suggested that both boards work together to formally request an Attorney General opinion on the jurisdiction of the BOMC and milk pool issues. Clyde Peterson said changes in wording when Milk Control was moved from Commerce to Livestock led to Country Classic recently challenging the Board of Milk Control's authority by petition. There may need to be some law changes to allow BOMC to retain their authority.

The Board of Livestock agreed that they:

- are a regulatory and enforcement agency
- need to maintain neutrality to the industry
- do not have the knowledge or background to make decisions in the milk control area; and
- by statute, the BOMC is only administratively attached to the department

Clyde Peterson suggested the board delegate decision making to the BOMC for resolution of the pending issues adding that the BOL does have authority to delegate that responsibility.

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Linda Nielsen moved to table this topic to tomorrow for further discussion. Jan French seconded . The motion failed unanimously.

COMMENTS

- Bernie Hubley introduced himself as the newly hired BOMC attorney. He said the issues are complex and he has not yet become thoroughly familiar with the various issues involved.
- Larry Van Dyke, BOMC member, commented that was not the intention to take authority from the BOMC when it was moved to the Department of Livestock.
- Mark Meyer, attorney with Ugrin law firm representing the Montana Milk Producers Association, introduced himself and offered to answer questions from the board on this issue.
- Monte Nick commented that the issues concerned here could be easily resolved by the BOMC should BOL delegate authority to them and legislative action later could resolve the jurisdictional issue.

Recess: The board recessed at 2:30 p.m. for a break.

Reconvene: The meeting was reconvened at 2:50 p.m.

Clyde Peterson stated for the record that Neal Ugrin, attorney for the Milk Producers Association, passed away in December. He will be missed.

George Hammond moved that the Board of Livestock delegate authority to the Board of Milk Control to make decisions on the three Country Classic petitions currently before them. Jan French seconded. The motion carried unanimously.

MONTANA BEEF COUNCIL ANNUAL REPORT

- Charlene Rich reviewed the recent Foot & Mouth Disease Summit estimating declaring it a success with a total attendance of approximately 160 from six states. She expressed appreciation of the board's support and participation in this arena.
- She presented the Annual Beef Council FY 2007 Report. Figures for the first three months of the new fiscal year (October 1 through December 31) include 870,000 cattle marketed and approximately \$45,000 in administrative fees paid to the department.

WILDLIFE SERVICES (PREDATOR CONTROL)

Kraig Glazier, USDA APHIS Wildlife Services, reported on the following issues:

- The replacement federal helicopter (for the one that crashed) is coming in late January to early February. The blades on the department's helicopter were replaced as part of regular maintenance.
- The omnibus bill passed with a 7% across the board cut for Wildlife Services. In addition one of the earmarks providing funding to the Montana Wildlife Services program was cut by about \$103,000. Congress did not provide pay act funding to cover cost of living raises. Total impact to the Montana Wildlife Services program will be about \$160,000 in budget cuts.
- Avian Influenza samples by Wildlife Services and Fish, Wildlife and Parks were completed and submitted to the diagnostic lab. All samples were negative for high path AI.
- There was a 31% increase in wolf population, now approximately 414 in Montana, despite the number of wolves removed by WS (73) during the federal year. It is estimated that there are 40 breeding pairs and over 70 packs (2 or more traveling together) within the state. Damages confirmed or probable investigated by WS totaled \$129,146. When wolves are delisted WS will still be the lead agency for livestock depredation investigations.

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BYLAW REVIEW

The board reviewed the proposed changes in the bylaws, including a change in title to *policy and procedures*, page by page. Changes included:

- page 1 (h) "appointments" to *hiring*;
- page 4 # 3 change to *provided*;
- page 5 # 12 change to read *with a final vote at the next regular meeting*;
- page 6 # 2 change to *prevention*;
- page 6 under section 2 B add *Alternative Livestock*; and
- page 11 # 11(a) reports shall be *monthly*.

Jan French moved to approve the Board Policy and Procedures as corrected. Stan Boone seconded. The motion carried unanimously.

MEET & GREET EMPLOYEES:

The board invited department employees to join them in a casual meet and greet session at 4:00 p.m.

Adjournment

Chairman Hedstrom adjourned the meeting at 4.45 p.m.

Executive Session:

The board went into Executive Session at 5:00 p.m. Personal right to privacy exceeds public right to know.

Tuesday, January 15, 2008

Board of Livestock Present:

Stan Boone, representing cattle producers
Jan French, Vice Chair, representing pork producers
George Hammond, representing cattle producers
Bill Hedstrom, Chairman, representing dairy and egg producers
Linda Nielsen, representing cattle producers
Meg Smith, representing cattle producers
Becky Weed, representing sheep producers

Staff:

Marty Clark, assistant administrator, Brands Enforcement Division
John Q Grainger, administrator, Brands Enforcement Division
George Harris, administrator, Centralized Services Division
Clyde Huseby, health investigator, Animal Health Division
Dr Bill Layton, administrator, Diagnostic Laboratory
Christian Mackay, executive officer
Steve Merritt, public information officer
Monte Nick, chief, Milk Control Bureau
Carol Olmstead, chief, Meat Inspection Bureau
Dr. Jeanne Rankin, assistant state veterinarian, Animal Health Division
Sherry Rust, administrative assistant, Recorder
Evaleen Starkel, administrative specialist, Alternative Livestock, Animal Health Division
Rob Tierney, supervisor, Bison Management Program, Animal Health Division
Dan Turcotte, chief, Milk, and Egg Bureau
Dr. Marty Zaluski, state veterinarian/administrator, Animal Health Division

Guests:

Ariel Overstreet, Agri-News
Kraig Glazier, APHIS Wildlife Services

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Jeanne Souvigney
Seth Broesder, Congressman Rheberg's office
Les Graham, Montana Farm Bureau, Montana Markets
Dr L C Knight, USDA AVIC
Aeric Riley, Montana Woolgrowers Association
Kristen Lang, Sidney MT
Watty Taylor, Montana Stockgrowers Association
Raemarie Gordon, Montana Stockgrowers Association
Kraig Meeks, Geraldine MT
Leo Barthelmas, Montana Stockgrowers Association
Jason Camp, Belgrade Montana Stockgrowers Association
Don Griffin, Ismay Montana Stockgrowers Association
Nicole Griffin, Montana Farm Bureau Federation
Fred Finke, Montana Stockgrowers Association
Errol Rice, Montana Stockgrowers Association

Chairman Bill Hedstrom called the meeting to order at 8:10 a.m.

Division Updates:

BRANDS ENFORCEMENT REPORT

John Grainger reported on the following issues:

- Law Enforcement Training: One district man failed the sit-ups in December and is rescheduled for April. The physical test must be completed within one year. Tyler Bond is attending now. Three market men are interested in attending. Mark Feist volunteered, learned the academy training protocol, and is now pre-training the three so they are in shape for the physical.
- An online payment system for brand books is being researched
- The Annual Report to the Board will be presented at the March meeting if data is complete. If not it will be ready in May.
- The markets closed on December 22 with a cattle count 74,694 higher than last year.
- Horse Issues:
 - A herd of approximately 60 feral horses were reported running on prison ground. The owner turned the original animals loose in 1975. They were not probated in the will when he died and have been running wild and breeding since that time. Now they are etrays trespassing on state property and forest service land. By statute, they must be held 30 days after capture and then sold. Christian, Travis Elings, and John are working on a plan for capturing these animals
 - There are reports of 300 head that are owned loose in Dawson County
 - and there is another horse issue in central Montana

DIAGNOSTIC LABORATORY REPORT

Dr. Layton reviewed the following issues:

- AAVLD Accreditation - No report received from the sub committee yet but it is expected soon
- Staff Vacancy - None of the four applicants for the histopathology vacancy have histo training but are well qualified in other areas. They will interview and hire someone into a training position. The remaining histo tech will become supervisor provided she becomes accredited. A part time histo tech three afternoons a week will also help with the workload.
- Out of State Travel - Melody Kelley is authorized to attend the Pacific Regional Milk Seminar on an annual basis. Since it was not held last year this year Melody would like to take Julie Armstrong who will become supervisor when Melody retires. The seminar is in Reno March

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31 to April 4, 2008. The estimated cost per person is \$1,057 and would come out of milk lab funds. Board authorization is requested for Julie to attend.

George Hammond moved to authorize out of state travel for Julie Armstrong to the Pacific Regional Milk Seminar in Reno. Jan French seconded. The motion carried unanimously.

- Flood Damage Report - Dr Layton showed flood damage photos explaining that a pipe joint leak from the water purification system attached to the Dade Bering Dimension machine caused the damage. Repairs are ongoing and the insurance claim is pending.
- Amendment to Incinerator Permit - Dr Layton said the trich PCR is working. It requires the use of Ethidium bromide, a hazardous material which regular disposal sources will not accept. It can be burned in small amounts. DEQ required an amendment to the incinerator permit so the lab could burn it.

ANIMAL HEALTH REPORT

Dr. Zaluski reported on the following items:

- Herd Plans -It is a top priority to prevent transmission from elk to cattle in the GYA area and the most important thing producers can do. Interested Madison Valley producers have submitted their names. A meeting in the Paradise Valley on January 29 will introduce area producers to the herd plan concept and risk mitigation. Pat Flowers, FWP, and Dr. Lennis Knight USDA Area Veterinarian in Charge will also participate. The focus will be on what producers can do. The goal is to have a fair number of participants when they begin to work animals in the spring
- Canadian Feeder & Breeder order (08-01-I) The 2005 feeder rule addressed just feeders, then with the November 2007 border opening to all cattle Animal Health put in a quick breeder rule. This resulted in two orders creating confusion for staff and producers. The intent of the new order is to consolidate and eliminate redundancies, while maintaining Montana's health status and providing a reasonable option for producers to do business with Canada.

Jan French moved to approve Official Order 08-01-I as presented. Becky Weed seconded. The motion carried unanimously.

- NAIS Animal I.D. - The premises funds contract expired 12/31/07. To best utilize funds two contracts were signed. One is to validate premises address, the second for a remote access functionality program that provides online access to view registered premises in the event of an emergency.
- Bison movement - About 250 head are on Horse Butte or on the south or north sides of the Madison. So far, they have not come close to zone 3. The department is prepared to stop the hunt and do management should bison start coming out. Christian Mackay said the operating procedure (IBMP) was passed and a plan is in place to begin regular management come February 15.
- GAO Review - Following a six to seven month investigation of bison operations Animal Health received the preliminary statement of fact from the GAO. Dr Zaluski responded with the aid of John Bloomquist emphasizing in the reply that the record of decision stipulates the target population of 3,000 bison in the park and is not being adhered to.
- COMMENT -Seth Broesder, Representative Rheberg's office, said the GAO usually reports to the Congressional Committee. Its purpose is to see if the money is properly used.
- There is nothing new on the MOU. The Governor has not signed yet and is communicating with the governors of Idaho and Wyoming.
- The Governor has said the department will not be hauling bison on the North side.
- Personnel - Three applications have been received, with one more pending, on the field vet position for the GYA area. This is not the position approved by the board a few months ago. Rather it will be funded 60% bison funds, 40% GYIBC. This vet will meet with producers for herd plans.

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- The Bouvry Feedlot MOU for the feedlot in Shelby is due for renewal and has been forwarded for signatures. The department has inspection capabilities for health and humane reason but the feedlot is exempted from EIA and EVA requirements

Dr Rankin reviewed the following:

- Trich requirements - Dr Rankin said the change to a single PCR test is greatly appreciated by producers. Training of vets in certification of collection of samples includes her speaking at Montana Veterinary Medical Association. The purpose of certification is to assure samples are taken correctly and it is mandatory requirement by July 1, 2008. New vets are accredited as deputy veterinarians and will be Trich certified quarterly. January 29, the department will present the first veterinary Trich certification here in Helena. Three additional quarterly certifications will be offered throughout the year as well as at the next Montana Veterinarian Association meeting in Livingston in late June.
- A town hall meeting is planned in about two weeks for producer comments in preparation of amending the trich rule. Interested parties include producers, market owners, bull buyers, brand inspectors, and veterinarians. Additional options include better producer notification and education such as signs in markets recommending that used cows and bulls not be purchased for breeding.
- Brucellosis testing is complete. 6,242 tests of animals directly related to the positive herds were done during this incident with 6,235 negatives. Approximately 435 animals were tested.
- She recently participated in a conference call with the North Dakota state vet. This was to prepare Dr Keller for their quarterly board meeting. The board chose to retain brucellosis restrictions on Montana cattle to require testing on all but the first two tiers of counties close to the North Dakota border, but will reconsider in March.
- Canadian livestock truck accidents - Dr. Rankin explained that there have been three Canadian trucks overturned since the border opening in the fall of 2005.
 - June of 2006, a cattle truck overturned near Raynesford
 - July of 2007 a truckload of pigs on Boulder hill, and
 - December 5, 2007 again near Raynesford. This was a Canadian cattle truck inspected at the border and sealed. Surviving cattle were rounded up and loaded onto another truck the next day. Cattle numbers were approximate on the shipping papers resulting in some cattle lurking in the brush being missed. Three head were missed and mixed with local cattle for 16 days before being shipped back to Canada. The rancher wrote a letter to Dr. Rankin and the department voicing his concerns about protocols for handling international livestock as well as who was paying for the incident. The department is working on establishing a protocol with USDA for incident response for this recurring issue.

MILK & EGG BUREAU

- Out of State travel - Dan Turcotte explained the upcoming Pacific Regional Milk Seminar is in Reno and it is necessary for him to attend. He requested board authorization for Roy Hall to attend for an update in his training. The funds are in the budget.

Linda Nielsen moved to authorize two persons to travel out of state to attend the seminar in Reno. Jan French seconded. The motion carried unanimously.

- Dual Date System - Dan explained the history of the single exemption to Montana's 12 day rule as granted to an out of state processor. He has said other out of state processors have begun coding their products the same way and when informed of the state 12 day rule they requested similar exemptions. A survey of producers indicates they want to keep the 12 day date code. His recommendation is to rescind the one exemption to keep the 12 date code intact.

Jan French moved to rescind the exemption to the 12 day date code for Inland Dairy. George Hammond seconded. The motion carried unanimously.

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BOARD OF HORSE RACING

- Sam Murfitt reported that horse racing revenue decreased dramatically - down from \$450,000 to \$290,000 in one year. A meeting was held last week with the Board of Horse Racing to inform them of the dire financial status. Causes include:

- race dates declining caused a 30% decrease in annual licenses
- and simulcast income has declined

Sam said there were 125 race dates in the 1980's and this year there are 20 race days. He estimates there is enough revenue to operate through the race season. Christian Mackay has reported the situation to the governor's office so they are aware of this.

- The Parimutuel Fantasy Sports law could be horse racing salvation but is still a long way off. Sam said we are breaking new ground because no other state has such a law. The rule developing process is ongoing. The big questions are how do we hire and regulate with no money to accomplish this. He expects to know in the next few months if the fantasy sports program is going to take off by October. If it does happen, there will be lots of money coming in.

Recess:

The chairman called a recess at 10:20 a.m.

Reconvene:

The meeting reconvened at 10:40 a.m.

MEAT INSPECTION REPORT

- Out of State Travel - Carol Olmstead requested authorization for out of state travel to attend an FDA meeting March 18 through 20. The meeting is on coordinated food borne illness and traceback and counterterrorism response procedures in the Pacific Northwest. Expenses are paid by the FDA.

Beck Weed moved to authorize out of state travel for Carol Olmstead to attend the FDA meeting as requested. Jan French seconded. The motion carried unanimously.

- Carol is working on a request for an additional FTE in Kalispell. There are six plants and the lone inspector cannot be in each plant daily when on the kill floor. The same request last year was not accomplished due to lack of FDA 50% federal match. The position will be opened in February if matching federal funds are available as anticipated this year.

CENTRALIZED SERVICES REPORT

- Wolf delisting - Carolyn Simes, FWP, gave a quick update on federal wolf delisting where Montana will revert to state laws. The reimbursement plan grows out of the wolf plan to address the issue of injured and dead livestock. The reimbursement board works with producers on the economic aspect of losses and reimbursement. Delisting decision is expected in late February.
- Livestock Loss Reduction and Mitigation Board -George Edwards is completing processes in anticipation of the first board meeting tentatively set for the first part of February. One of the main functions of the board is to raise money and Mr. Edwards must obtain the training he needs on grants and obtaining funds. George Harris requested authorization for George Edwards to attend a three day grant writing course at the National Grant Writers Institute in Columbia, S.C. for a cost of \$1,116. Funding for this training is budgeted in their operations.

Jan French moved to approve George Edwards's attendance at the grant writing course as presented. Beck Weed seconded. The motion carried unanimously.

- George Edwards presented the tentative agenda for the first LLRM Board meeting. His goal is to inform the new board members of their role of reimbursement vs. wolf managing.

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- Per Capita Refund Request - Mr. Jim Hagenbarth requested reimbursement of per capita fee paid on his livestock that graze in Idaho part of the year. George Harris asked for board authorization to refund the amount of \$593.70.

Meg Smith moved to authorize refund of \$593.70 in per capita fee to Mr. Jim Hagenbarth as requested. George Hammond seconded. The motion carried unanimously.

- Entry Fee Permits - George Harris explained that the entry permit fee was established years ago and set at \$10. It was noticed in the last audit that we are not collecting this fee. Historically the board declined collection of the fee choosing instead to collect health permit fees. Auditors indicated we must enforce the fee or remove the law (81.3.214, MCA and Administrative Rule 32.2.404).

George Hammond moved to rescind 81-3-214, MCA and Administrative Rule 32.2.404 as recommended. Jan French seconded. The motion carried unanimously.

- Budget Review - Mr. Harris stated that division budget are right on line referring to the budget document sent in the board packets.
- Per capita monies are up \$241,000 from last year because of a 100,000 head count increase. Anticipating an approximate \$310,000 transfer to the lab at the end of the year the fund balance at fiscal year end should be approximately \$1,119,000.
- Out of State Travel Request - Christian Mackay explained that Steve Merritt will be heading up the publicity effort for National I.D. NAIS is holding a National I.D. conference in San Diego with travel expenses paid for by USDA. He requested board authorization for out of state travel for Mr. Merritt to attend.

Jan French moved to authorize out of state travel for Steve Merritt as presented. Linda Nielsen seconded. The motion carried unanimously.

EXECUTIVE OFFICE

IT Proposed Updates - Christian Mackay explained the challenges of moving the department's I.T. systems into the modern age. He and the I.T. staff explored what the department has now and possibilities for upgrading. He outlined current programs most of which are Clipper or DOS programs. These programs will not be supported in the next Windows upgrade because they are considered obsolete.

- Where we are now:
 - Brands Record program
 - takes up to a week to research one brand before issuing
 - cannot print brand certificates out of this program-must print out of administration
 - mortgage program built in Clipper/DOS
 - Animal Health
 - import permits - Clipper/DOS
 - deputy veterinarians - stranded (not working)
 - Meat Inspection the following programs are all separate programs in DOS
 - Licensing
 - Sampling
 - Labeling
 - Head Count

Milk Inspection - licensing program is old

None of these programs speak (interact) with other department programs and actually most programs don't speak to others in their own division

- Where we need to be:
 - Animal Health and Brands
 - import/export in Animal Health need to talk to shipper/owner in Brands
 - newer data bases
 - integrated deputy vet list

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- web accessible (on line permits etc)
- Meat/Milk Inspection
- replace DOS/Clipper programs (sampling, licensing etc)
- Web Applications through Montana Interactive
- applications are built at no cost to the agency
- Achieving the goal:
 - Build our own
 - could take up to 10 years to complete by our I.T. staff
 - Purchase a ready built program: (
 - provides updates right away
 - would integrate (speak to) all division programs, including LIMS
 - Oracle based and our I.T staff can work in it
- Cost of the preferred program after researching available options - \$150,000 plus an annual maintenance/tech fee.

Justification

- better customer service
- faster turn around on brands
- better service to our veterinarians
- savings in employee time
- cost effective
- integrates all divisions at once
- frees up I.T. staff for other projects
- frees up staff (animal health and others) to complete other currently mandated programs that have gone by the wayside

The department would need to use available cooperative agreement funds and new grant sources to obtain an appropriate program. Christian recommended board authority to explore funding options for purchasing a new program due to lack of manpower.

Stan Boone moved to authorize moving ahead with looking for funding to purchase a new I.T. program as presented. Jan French seconded. The motion carried unanimously.

SET NEXT BOARD MEETING

The board set meeting dates for the next three regular meetings, subject to change in case of an emergency as:

- March 17 & 18, 2008
- May 19 & 20, 2008
- July 21 & 22, 2008

OPPORTUNITY FOR PUBLIC COMMENT

- Fred Finke, producer from Big Sandy, urged the board to continue to pursue eradication of the last reservoir of brucellosis in the United States. Encourage the producers around the Park to work on individual risk assessment. FWP needs to manage the elk herd in the northern part of the Park and help the industry establish an overall risk assessment for brucellosis in the Greater Yellowstone Area. He asked the board to pressure the governor to sign the IBMP MOU and Governor Schweitzer to lead the neighboring governors to sign as well. Protect our brucellosis free status using proactive measures and work for and with the livestock producers in the state.
- Seth Broesder, Representative Rheberg's office - Said the omnibus bill was passed at the end of December with \$692,121 for IBMP.

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Adjournment

The meeting was adjourned at 12:10 p.m.

Bill Hedstrom
BILL HEDSTROM, CHAIRMAN
BOARD OF LIVESTOCK

MONTANA DEPARTMENT OF LIVESTOCK



BOARD OF LIVESTOCK MEETING MINUTES MARCH 17 & 18, 2008 MONDAY 1:00 P.M. - TUESDAY 8:00 A.M.

Helena MT 59601

Monday, March 17, 2008

Board of Livestock Members Present:

Stan Boone, representing cattle producers
Jan French, Vice Chair, representing pork producers
George Hammond, representing cattle producers
Bill Hedstrom, Chairman, representing dairy and egg producers
Meg Smith, representing cattle producers
Becky Weed, representing sheep producers

Absent:

Linda Nielsen, representing cattle producers

Staff:

Marty Clark, assistant administrator, Brands Enforcement Division
George Edwards, administrative assistant, Livestock Loss Reduction Mitigation Board
Marty Falstad, market compliance, Brands Enforcement Division
Clyde Huseby, health investigator, Animal Health Division
Dr Bill Layton, administrator Diagnostic Laboratory
Christian Mackay, executive officer
Steve Merritt, public information officer
Dr. Jeanne Rankin, assistant state veterinarian, Animal Health Division
Sherry Rust, administrative assistant, recorder
Evaleen Starkel, administrative specialist, Alternative Livestock, Animal Health Division
Dan Turcotte, chief, Milk, and Egg Bureau

Guests:

Carole Boone
Jeremy Seidlitz, Montana Cattlemens Association
Marty Casey, Sidney Livestock Auction
Paul Ringling, producer
Les Graham, Montana Market Association, Montana Farm Bureau
John Steuber, APHIS Wildlife Services
Glen Hockett, Gallatin Wildlife Association
Dr. Tom Linfield
Errol Rice, MSGA
Steve Roth, MSGA
Kim Baker, MCA
Gene Curry, producer
Neal Anderson, FWP
Ariel Overstreet, Agri-News

Call to Order and Board Communications:

Chairman Bill Hedstrom called the meeting to order at 1: p.m.

- Becky Weed - Lambing has just started. She recently attended shearing school. It was a good experience.
- George Hammond - There is good moisture in the immediate area and hay is in good supply. Trich and BVD may be in his area. Cattle prices are holding vs. chicken and pork.
- Jan French - Concern is the cost of feed and low prices, pork is at 34 cents a pound. Barley is \$10 or more.
- Meg Smith - Still have wolves, elk. Dry cow business is really good. Hay prices are sky high.
- Stan Boone - Good weather with heavy wet snow in February, gone now. Grass is starting to green up.
- Bill Hedstrom - Still have a foot of snow. Hay is out there but freight is high with average at \$230-250/ton plus freight. Six to eight milk producers are expected to go out this year.

Approval of Minutes:

The minutes of the January 14 and 15, 2008 meeting were accepted as presented.

Approval of Executive Officer Reports:

Jan French moved to approve the Executive Officer report. Stan Boone seconded. The motion carried with Meg Smith voting no.

Approval of Chairman Interim Authorizations and Activities:

Chairman Bill Hedstrom said he had nothing to report; no authorizations or activities so no need for approval.

NEW BUSINESS

REQUEST TO MOVE MARKET LICENSE

Marty Casey, Sidney Livestock Market Center, informed the board he was recently told that the lease on the market complex housing his business will not be renewed. He stated his intent to continue the business and questioned the procedures required to move the market certificate to another location within the Sidney area. He mentioned two possible sites that are within two miles the current site. He said facility plans are in the works and environmental requirements are met.

Marty Falstad explained that there is nothing in the DOL statutes prohibiting a move but board approval is required prior to any move. Regarding any new site, statutory requirements would need to be met.

George Hammond moved to authorize relocation of the Casey certificate to a new location within the Sidney area pending provision of proper documentation on the new facility. Jan French seconded. The motion carried unanimously.

REQUEST FOR REVISION OF BILL OF SALE

Paul Ringling presented a suggested change from the Montana Cattlemens Association in the DOL bill of sale. The change includes statements for the seller to check pertaining to livestock bred and raised in the USA or that comply with the MT Natural Beef Program. This proposal is meant to provide incentive for those complying with the appropriate programs and is strictly voluntary. He requested inclusion of the changes when DOL next printing of bills of sale. Discussion followed regarding department liability and legality.

Meg Smith moved to table the request to the May board meeting to allow consultation possible regarding legal issues. Jan French seconded. The motion carried unanimously.

OLD BUSINESS

UPDATE ON 12 DAY RULE ISSUE

Dan Turcotte said he is holding enforcement until the issues discussed at the last meeting are resolved. The dealer is actually showing more aggression, working to move into more markets and displaying dual dates. He explained the history of the single exception to the rule and how the distributor is not complying with the agreement. Clyde Peterson suggested the department use the attorney general's office regarding the possible suit on interstate shipping. He explained the issue and suggested options. He will put together a notice for Dan to reply to the issues.

PRODUCER ORGANIZATION UPDATES

KIM BAKER, Montana Cattlemens Association, represents about one thousand members. MCA has placed the brands on their website with three free searches. They are promoting Montana beef with their foundation as "beef on every plate" and working with the food bank network.

LES GRAHAM spoke for the Montana Farm Bureau Federation expressing the board's stand with the bison issue. He also forwarded a request for more notification of actions and meetings to producers around the state.

STEVE ROTH, Montana Stockgrowers Association, also expressed the stockgrowers appreciation to the board.

JEREMY SEIDLITZ, MCA, expanded on the "beef on every plate" where producers donate cull cows and bulls to the food banks and raise funds locally for processing. This project works through the Food Bank Network.

RECESS: The meeting was recessed at 2:45 p.m.

RECONVENE: The meeting was reconvened at 3:00 p.m.

UPDATES & REPORTS

WILDLIFE SERVICES (PREDATOR CONTROL)

John Steuber, USDA APHIS Wildlife Services, provided an update on WS activities on behalf of the department.

- a 29 year WS employee died in a traffic accident on February 16.
- wolf activities typically increase this time of year.
 - Near Two Dot a single black wolf killed 5 sheep, injured 5 of which three had to be put down.
 - Instructions from MFWP are to capture and collar that wolf.
 - Wolf kills of calves have been reported near Boulder, Big Hole, and Salish Kootinai.
 - Delisting becomes effective March 28th.
 - Minimum estimates for wolf population in Montana is averaging 30% increase over the last 4 years.
 - From 316 in December 2006 to 422 December 2007.
 - Up to 50% of agency time in some areas is spent on wolves.
- provided a handout showing results of testing for tularemia and plague in wolves, coyotes, red fox, bears and lions.
- They are monitoring mangy wolves - some coming out of Yellowstone.
- The replacement helicopter arrived February 11 and is keeping busy. It will be used in other states as time permits with that state paying costs including maintenance.

Open Microphone

The chair opened the floor to the public for comments.

Adjournment

Chairman Hedstrom adjourned the meeting at 3:35 p.m.

The Board called an Executive session.

Personal right to privacy exceeds the public right to know.

Tuesday, March 18, 2008

Board of Livestock Present:

Stan Boone, representing cattle producers
Jan French, Vice Chair, representing pork producers
George Hammond, representing cattle producers
Bill Hedstrom, Chairman, representing dairy and egg producers
Meg Smith, representing cattle producers
Becky Weed, representing sheep producers

Absent:

Linda Nielsen, representing cattle producers

Staff:

Marty Clark, assistant administrator, Brands Enforcement Division
George Edwards, administrative assistant, Livestock Loss Reduction Mitigation Board
Dr Bill Layton, administrator Diagnostic Laboratory
Christian Mackay, executive officer
Steve Merritt, public information officer
Monte Nick, Milk Control Bureau chief
Dr. Jeanne Rankin, assistant state veterinarian, Animal Health Division
Sherry Rust, administrative assistant, recorder
Evaleen Starkel, administrative specialist, Alternative Livestock, Animal Health Division
Rob Tierney, supervisor, Bison Management Program, Animal Health Division
Dan Turcotte, chief, Milk, and Egg Bureau
Dr. Marty Zaluski, state veterinarian/administrator, Animal Health Division

Guests:

Gene Curry, producer
Ariel Overstreet, Agri-News
Carole Boone
Steve Roth, Montana Stockgrowers Association
Jeanne-Marie Souvigny
Ann Miller, Montana Pork Producers
Nicole Griffin, Montana Farm Bureau Federation
Les Graham, Montana Farm Bureau, MALAM
Jake Cummins, Montana Farm Bureau
Dr Tom Linfield
John Steuber, USDA Wildlife Services
Fred Finke
Neil Anderson, FWP
Pat Flowers, FWP
Pam Joehler, Legislative Fiscal Division

Chairman Bill Hedstrom called the meeting to order at 8:00 a.m.

Division Updates

BRANDS ENFORCEMENT

Christian Mackay provided the division update for administrator John Grainger who was absent due to a death in the family.

- Two district men are currently involved in a theft investigation in south central Montana.
- On the Western States Livestock Investigator meeting in Reno which John Grainger, Marty Clark, and he attended:
 - Arizona only has about 750,000 head of cattle left, one inspector and no horse inspections - seems to be the trend
 - new technology used by other states including
 - surveillance technology, (available to Montana if needed)
 - a PDA type unit which can hold all brands database, write inspections, send paperwork electronically to the main office etc (might be useful in the future)
- Locally, the market permit and the sheep movement permit work order has been completed with Montana Interactive and we are five to six months out on that. No cost to the department for this service.
- Reviewed personnel changes within the markets.

DIAGNOSTIC LABORATORY

Dr. Layton reported:

- the new a histopathologist is from Colorado to be onboard March 31.
- reviewed the MVMA winter meeting referring the board to his monthly reports for details.
- still has not received the AAVLD report.
- online EIA submissions seem to be going okay.
- clin-path submissions are down.

MILK & EGG BUREAU

Dan Turcotte reported:

- on the recent conference in Reno where the big topic was the RBST rule.
 - FDA wants the label to read "comes from cows not treated with RBST".
 - milk production is up or near the same without RBST.
 - Montana milk is virtually RBST treatment free.
- He has been receiving inquiries regarding raw milk and requests to allow raw milk sales.
- Three or four more egg producers (Hutterite Colonies) are going to "free range".
 - Roy Hall is getting rating certified with USDA
 - producers will pay the cost of state inspection
 - rather than have a USDA inspector come over from Seattle.

PUBLIC INFORMATION OFFICE

Steve Merritt reviewed accomplishments and during his 5 month tenure with the department.

Projects include:

- Per Capita Fee outreach program through a variety of media
- Online per capita form
- Updating DOL website
- Updating brochures
- Animal health newsletter - to approximately 600 state veterinarians
- MDOL newsletter
- NAIS Community Outreach

Board of Livestock Meeting Minutes
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- National Association of State Department of Agriculture- associate member - need to expand DOL representation
- Weekly report to communicate activities and information to a wider group - sign up for newsletter

ANIMAL HEALTH

Dr. Zaluski reported:

- the herd plans - ready to start.
 - Dr. Linfield contracted with the department to work on the herd plan and risk mitigation.
 - Becky Frey, USDA is working with Dr. Ryan in conjunction to department efforts.
 - Also are exploring how FWP can help with wildlife in the herd plan areas.
- IBMP
 - may hear today whether RTR funding will happen (\$1.5 million).
 - The quarantine facility lease is settled and will start taking calves today or tomorrow.
- UM&R regarding brucellosis
 - Does the current UM&R reflect the disease situation in the U.S. today.
 - need is to identify required changes and be ready to make suggestions, review through USAHA-Veterinarian Board and Association of State Veterinarian.
 - They eventually will make recommendations to USDA.
- North Dakota Board of Animal Health meeting in Bismarck
 - Dr Rankin provided a copy of the brucellosis epidemiology investigation to the North Dakota Board of Animal Health
 - requested that Montana be treated differently since we never lost our status, we do not feed elk; have herd plans in place, etc.
 - ND board's concern was with elk migration out of Yellowstone Park.
 - voted to remove all testing on Montana cattle except for those in Carbon, Park, Madison, and Gallatin counties.
- Elk brucellosis surveillance update presented by Neal Anderson, FW&P
 - provided a summary of hunter killed samples
 - discussed options for future surveillance.
- Pat Flowers, FW&P Region Three supervisor
 - reviewed the scoping document for the new hunt environmental assessment
 - cited the need for greater flexibility in administering the bison hunt.
- reviewed the depredation program
 - benefits and limitations.
 - is a property or crop damage program by statute.

Recess:

The chairman called a recess at 10:30 p.m.

Reconvene:

The meeting reconvened at 10:45 p.m.

OUT OF STATE TRAVEL REQUEST

Dr Zaluskii requested board authorization for Dr. Rankin to travel to a NIAA meeting Indianapolis in April. Travel would be paid out of cooperative agreement funds.

Jan French moved to authorize the travel as requested. Stan Boone seconded. The motion carried unanimously.

Dr. Zaluski continued:

- the Basic Brucellosis Epidemiology course recently attended in Jackson, MO

Board of Livestock Meeting Minutes
March 17 & 18, 2008

- on the Western States Animal Health meeting in Reno, NV.
- gave a brief summary of bison operations to date and provided an update on the GAO review.
- NAIS
 - Steve Merritt recently attended an outreach meeting in San Diego returning with fresh ideas to increase premises registration.
 - the work plan for the USDA NAIS cooperative agreement has been revised

CENTRALIZED SERVICES REPORT

BOARD OF MILK CONTROL

Monte Nick updated the board on issues discussed at the last board meeting

- most issues were withdrawn except freight
- The new topic is minimum price violation issue with Country Classic.

The board discussed issues and authorities, seeking input from Clyde Peterson.

George Hammond moved that the Board of Livestock delegate the Board of Milk Control make a determination on the minimal pricing issue. Board of Milk Control has authority over milk pricing by statute. Jan French seconded. The motion carried unanimously.

BOARD OF HORSE RACING

Christian Mackay reported

- on the conference call and meeting between him, Sam Murfitt, and the BOHR.
- there is approximately \$20,000 left in their budget.
- recommendations made:
 - lay off the full time secretary
 - close the office
 - Mr. Murfitt continue half time to complete this year's race meets and working on Fantasy Sports rules.

REQUEST FOR OUT OF STATE TRAVEL

Christian Mackay has been requested to accompany the Director of Department of Ag to the Tri-National Agricultural Accord in Sacramento, CA. He requested board authorization for Dr. Zaluski and himself to attend.

Becky Weed moved to approve the requested out of state travel. Jan French seconded. The motion carried unanimously.

Livestock Loss Reduction and Mitigation Board

George Edwards said the first LLRMB meeting took place on February 11th with orientation of the board members and discussion regarding purpose and funding. He continues to work on rules for the board.

BUDGET REPORTS

George Harris was absent due to a death in his family. Christian Mackay

- provided budget workbooks from George Harris to the board.
- discussed the EPP sheet and options for the future.
- Cited the need recruit and retain new employees
 - nearly one half of the brands district men are due to retire in the next few years
- need to stay current in technology
- suggested new funding options. Per Capita fees are holding but there is a limit to what the department can charge producers.
 - possibility of merging lab functions (with DPHHS) eventually,
 - general funds for public health items (rabies, etc),
 - new fees in animal health

Open Microphone

The chair opened the floor to the public for comments.

GLEN HOCKETT, Gallatin Wildlife Association provided documents and commented regarding the brucellosis, livestock, and wildlife management solutions as suggested by the GWA.

ANN MILLER, Pork Producers Council, provided information on the new requirements. Among them is the requirement that national ID must be in place for PQA+.

JEREMY SEIDLITZ, Montana Cattlemens Association stated the MCA opposition to mandatory National ID. Rather it should be market demand driven.

STEVE ROTH, Montana Stockgrowers Association, requested more board interaction with producers to let producers know what the department is doing. He suggested the board select some producers to work on the funding issues. He opined that to stop killing bison equals no removal of livestock from a confined ranch. It just is not practical or workable.

The next board meeting is scheduled for May 19 and 20, 2008.

Adjournment

The meeting was adjourned at 1:00 p.m.



BILL HEDSTROM, CHAIRMAN
BOARD OF LIVESTOCK

Livestock Board

General Information

Law/Executive Order: 2-15-3102

Department: Department of Livestock

URL: <http://mt.gov/liv/>

Governor Appointed Members

Name	City	Term Start	Term End	Qualifications
Jeffery Lewis	Corvallis	3/12/2009	3/1/2011	Dairy producer
Brett DeBruycker	Dutton	3/12/2009	3/1/2015	Cattle Producer/Rancher
Ed Waldner	Chester	1/9/2009	3/1/2011	Swine Producer
Stan Boone	Ingomar	3/1/2007	3/1/2013	Cattle Producer/Rancher
John Lehfeltd	Lavina	3/12/2009	3/1/2013	Sheep Producer
Janice French	Hobson	3/12/2009	3/1/2015	Cattle Producer/Rancher, Chairperson
Linda Nielsen	Nashua	3/16/2005	3/1/2011	Cattle Producer/Rancher

Christian
Mackay -
444-9321

Board of Livestock Meeting Minutes
March 17 & 18, 2008

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 - general funds for public health items (rabies, etc),
 - new fees in animal health

Board of Livestock Meeting Minutes
January 14 & 15, 2008

- George Hammond commented that it has been mild a winter as ever seen around Hardin, mountains of hay but no need to use it much, not much moisture.
- Jan French reported that hog prices are a little higher, barley is at \$10 and propane is outrageous.
- Linda Nielsen said the Nashua area is dry too. At the last auction, sale prices were pretty good.
- Meg Smith said it is dry, hay is in short supply and expensive, wolves have been busy, elk are down, good snow up high but not much down low. Looking for spring snow.
- Stan Boone said although it is dry, his country is in good shape, lots of grass, very mild.
- Bill Hedstrom reported approximately 16 inches of snow in the Kalispell area. The big worry is feed prices, corn is \$230 (\$170 last month) ton plus freight, barley is \$235.

Approval of Minutes:

The minutes of the November 5 and 6, 2007 meeting were accepted as corrected.

Approval of Executive Officer Reports:

Jan French moved to table approval of the Executive Officer report. Linda Nielsen seconded. The motion carried with Meg Smith voting no.

Board members requested more contact (updates, etc) from the executive officer.

Approval of Chairman Interim Authorizations and Activities:

Chairman Bill Hedstrom said he had nothing to report; no authorizations or activities so no need for approval.

OLD BUSINESS

RODEO BULL LIFETIME PERMITS

John Grainger explained that current statutes do not allow for lifetimes on bovines so it will take either a new rule or amending of the existing statute. He emphasized the rule would only address rodeo bulls (not rodeo cattle). Christian Mackay requested board authorization to draft legislative wording and finding a sponsor to be ready for the next Legislative session.

George Hammond moved to authorize Christian Mackay and John Grainger to draft legislation to grant rodeo bull lifetime permits. Jan French seconded and the motion carried unanimously.

UPDATE ON MILK CONTROL BOARD ISSUES

Christian Mackay explained that it was recently questioned whether the use of Clyde Peterson by the Board of Milk Control and Board of Livestock created a conflict of interest. Legal Services agreed that there is a conflict and recommended BOMC contract with outside legal counsel. They suggested that both boards work together to formally request an Attorney General opinion on the jurisdiction of the BOMC and milk pool issues. Clyde Peterson said changes in wording when Milk Control was moved from Commerce to Livestock led to Country Classic recently challenging the Board of Milk Control's authority by petition. There may need to be some law changes to allow BOMC to retain their authority.

The Board of Livestock agreed that they:

- are a regulatory and enforcement agency
- need to maintain neutrality to the industry
- do not have the knowledge or background to make decisions in the milk control area; and
- by statute, the BOMC is only administratively attached to the department

Clyde Peterson suggested the board delegate decision making to the BOMC for resolution of the pending issues adding that the BOL does have authority to delegate that responsibility.

Board of Livestock Meeting Minutes
January 14 & 15, 2008

Linda Nielsen moved to table this topic to tomorrow for further discussion. Jan French seconded. The motion failed unanimously.

COMMENTS

- Bernie Hubley introduced himself as the newly hired BOMC attorney. He said the issues are complex and he has not yet become thoroughly familiar with the various issues involved.
- Larry Van Dyke, BOMC member, commented that was not the intention to take authority from the BOMC when it was moved to the Department of Livestock.
- Mark Meyer, attorney with Ugrin law firm representing the Montana Milk Producers Association, introduced himself and offered to answer questions from the board on this issue.
- Monte Nick commented that the issues concerned here could be easily resolved by the BOMC should BOL delegate authority to them and legislative action later could resolve the jurisdictional issue.

Recess: The board recessed at 2:30 p.m. for a break.

Reconvene: The meeting was reconvened at 2:50 p.m.

Clyde Peterson stated for the record that Neal Ugrin, attorney for the Milk Producers Association, passed away in December. He will be missed.

George Hammond moved that the Board of Livestock delegate authority to the Board of Milk Control to make decisions on the three Country Classic petitions currently before them. Jan French seconded. The motion carried unanimously.

MONTANA BEEF COUNCIL ANNUAL REPORT

- Charlene Rich reviewed the recent Foot & Mouth Disease Summit estimating declaring it a success with a total attendance of approximately 160 from six states. She expressed appreciation of the board's support and participation in this arena.
- She presented the Annual Beef Council FY 2007 Report. Figures for the first three months of the new fiscal year (October 1 through December 31) include 870,000 cattle marketed and approximately \$45,000 in administrative fees paid to the department.

WILDLIFE SERVICES (PREDATOR CONTROL)

Kraig Glazier, USDA APHIS Wildlife Services, reported on the following issues:

- The replacement federal helicopter (for the one that crashed) is coming in late January to early February. The blades on the department's helicopter were replaced as part of regular maintenance.
- The omnibus bill passed with a 7% across the board cut for Wildlife Services. In addition one of the earmarks providing funding to the Montana Wildlife Services program was cut by about \$103,000. Congress did not provide pay act funding to cover cost of living raises. Total impact to the Montana Wildlife Services program will be about \$160,000 in budget cuts.
- Avian Influenza samples by Wildlife Services and Fish, Wildlife and Parks were completed and submitted to the diagnostic lab. All samples were negative for high path AI.
- There was a 31% increase in wolf population, now approximately 414 in Montana, despite the number of wolves removed by WS (73) during the federal year. It is estimated that there are 40 breeding pairs and over 70 packs (2 or more traveling together) within the state. Damages confirmed or probable investigated by WS totaled \$129,146. When wolves are delisted WS will still be the lead agency for livestock depredation investigations.

SB 286
Testimony of Meadow Gold Dairies
(In Support)

1. Meadow Gold Dairies is a dairy processor and distributor. It distributes dairy products statewide. It has processing plants in Great Falls and Billings. It supports SB 286.
2. Currently, there is confusion in the statutes regarding the respective jurisdictions of the Board of Milk Control and the Board of Livestock as it relates to the regulation of the milk industry. It is better that the legislature clarify these policy issues rather than have it done by the judiciary through litigation. SB 286 would make clear the power is vested in the Board of Milk Control.
3. As between the Board of Milk Control and the Board of Livestock, the Board of Milk Control should have ultimate power over the milk industry because:
 - The Board of Milk Control is already educated. It enacted the rules; it knows the historical evolution of those rules; it knows what works and what hasn't worked; it is familiar with the current issues in the industry.
 - The Board of Livestock already has enough on its plate. The milk industry would get more focused and informed attention from the Board of Milk Control which is devoted exclusively to milk issues.
 - By statute, the Board of Milk Control cannot have a member presently involved in the milk industry so it is immune from conflict problems. The Board of Livestock has two members who are currently milk producers.
 - The fact that Montana has undertaken to regulate the price of milk is fairly unique. It would be unprecedented to undertake that regulation without devoting a separate, independent board to implement and oversee that regulation.
 - The Board of Milk Control has been very effective, efficient, and fair.
 - The milk producers pay the expenses of the Board of Milk Control through assessments. If the industry is willing to pay for it, it ought to have its own functioning board to regulate its affairs.

Meadow Gold urges support of SB 286. Thank you.

Jock O. Anderson
442-8560